

OLL 85-1674  
6 June 1985

*Fed Pers.*

MEMORANDUM FOR: See Distribution

VIA: Chief, Liaison Division, OLL

FROM:   
Liaison Division, OLL

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SUBJECT: Federal Employees Health Benefits Program

1. The statements for the record from the 9 May 1985 hearing on the Federal Employees Health Benefits Program are attached. The intent of the hearing, chaired by Mary Rose Oakar, House Subcommittee on Compensation and Employee Benefits, was to build a case for strengthening the Program and increasing the benefits.

2. Specifically, the pro-Federal Employee bloc in the House is supporting the following:

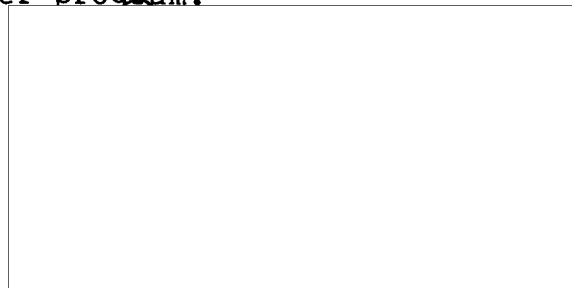
- Increase government contribution;
- Mandate minimum coverage for dental care, mental health care, alcoholism and substance abuse treatment and rehabilitation, and hospice care;
- Limit Office of Personnel Management authority;
- Mandate an annual open season.

These initiatives are contained in H.R. 156, attached hereto.

3. House staffers are enthusiastic over the prospect for enactment of this legislation by the 99th Congress. Other observers of Civil Service legislation, including the major insurance companies and employee groups, are far less enthusiastic. They predict, as do staffers on the Senate side, that we will see a stalemate between House Democrats who want to increase the benefits for and lower the cost to Federal employees, and the Administration and Senate and House Republicans who want to reduce the cost of the Program to the Federal government. To that end, OPM again is planning to push for a voucher program.

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Attachment:  
as stated



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